

STATEMENT

OF

MR. RICHARD 'Dick' MINOR
MINOR PRODUCE, Inc.
ANDERSONVILLE, GEORGIA

GEORGIA FRUIT AND VEGETABLE GROWERS ASSOCIATION

BEFORE THE
U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON AGRICULTURE

MAY 14, 2010

Good morning Chairman Peterson and Members of the Committee. My name is Dick Minor. I am President of Minor Produce. With my two brothers we own and operate a diversified farming operation in Sumter County, Georgia. In 2009, we grew over 1,700 acres of vegetables, including cucumbers, snap beans, watermelon, pepper and squash. In addition we grow cotton, peanuts, field corn, wheat, soybeans and turf grass. We also operate or have ownership in a trucking company, cotton gin and warehouse and a custom aerial crop care service. I am here today representing over 250 producer members of the Georgia Fruit and Vegetable Growers Association.

The fruit and vegetable industry is a major economic generator for the State of Georgia. We are adding jobs and dollars to rural economies throughout the State. In Georgia, the 2008 farm gate value of vegetables alone was almost \$850 million dollars. Combined with Georgia's fruit crops, including peaches, blueberries, blackberries and strawberries, the farm gate value of fruit and vegetable production in Georgia is over one billion dollars. But this large product value is not limited just to our State. Specialty crop growers produce approximately 50% of the farm gate value of total plant agricultural production in the United States.

As a part of developing the 2008 Farm Bill, this committee recognized the importance of fruit, vegetable and other specialty crop production in the United States, providing significant support to our sector of the agricultural industry. The 2008 Farm Bill dedicated approximately \$3 billion in funding for specialty crops, pest and disease, nutrition, research and conservation priorities. Of particular note is that none of this funding goes to direct payments or subsidies from the federal government but rather it strongly supported infrastructure investments and market expansion opportunities to build a stronger specialty crop industry. We are most appreciative and deeply grateful to the leadership this committee demonstrated to insure specialty crop programming in the 2008 Farm Bill.

My comments today are directed at several areas of the 2008 Farm Bill from which specialty crop growers in Georgia have received benefits which offered those growers competitive advances in their production and marketing operations. I will also outline several areas which we believe should be addressed in the 2012 Farm Bill.

Specialty Crop State Block Grants

In 2001, Congress provided approximately \$159.4 million in mandatory funding for Specialty Crop block grants as part of the Agricultural Economic Assistance Act of 2001. The funding was distributed by the state departments of Agriculture in 2002.

The Specialty Crop Competitiveness Act of 2004 was aimed at building on the success of the 2001 block grants by reauthorizing the block grants. Congress provided \$7 million in appropriations for the specialty crop block grants in FY2006. The FY07 appropriations bills also contained specialty crop block grant funding.

The 2008 Farm Bill provided \$466 million in state block grants to enhance producers' ability to compete in the marketplace and provide consumers with safe, abundant food. We believe state block grants provide the centerpiece of the fruit and vegetable component in the farm bill. Each

specialty crop and each geographic area have unique challenges and attributes which must be addressed individually, the block grants are critical in helping to improve the competitiveness of our specialty crop producers. It is at the state level that growers, shippers and packers working together with industry and government, have the expertise to identify programs that can enhance the competitiveness of specialty crop producers. Innovative programs developed at the state level have included production related research, nutritional focus on youth, commodity promotion, food safety and inspections, and other items.

Block grants have been tremendously beneficial to Georgia's specialty crops. With funds from the 2001 block grant our association was able to establish a food safety initiative that has grown to train over 350 growers and certified more than 70 farm operations. As a cooperative program between the Georgia Department of Agriculture, University of Georgia, the Georgia Crop Improvement Association and our association, Georgia GAP provides on farm training, consultation and third party audit to our growers.

Our industry is in a crisis at the moment as it relates to food safety concerns. Block grant funds would help states develop more aggressive food safety educational programs as we have done in Georgia. The produce industry must move forward to establish the proper protocol to restore this nation's consumer confidence in fresh produce. Research is needed to develop economical traceability solutions, reduce field contamination and improve post harvest handling. Block grants can address this on the state level where it is desperately needed.

In addition block grant funding has provided assistance to expand the 'Georgia Grown' marketing program, locally grown promotions, specific commodity (watermelon, peach, pecan, etc) promotional funds, provide grower educational programs and fund intra-structure for a multi-discipline specialty crop field research lab.

We recommend the state block grant program continue and funding be expanded in the 2012 Farm Bill.

Increasing Specialty Crop Research

Research provides a foundation for the growth of any industry and acts as catalyst for change. Federal investment in specialty crop research to assure the economic vitality and long-term viability of the specialty crop industry has been limited, despite the fact that specialty crops and their research needs are unique and important. These crops are typically characterized by high production input costs, unique market challenges and the fact that there are a plethora of specialty crops produced in numerous growing regions throughout the country, each with specific challenges. The USDA/DHHS *Dietary Guidelines* recommends the daily dietary intake of Americans be at least 52% fruits, vegetables and foods derived from specialty crops. Federal investments in agriculture should be allocated to reflect the national importance of these products to the American diet.

The 2008 Farm Bill established the Specialty Crop Research Initiative (SCRI) with funding at \$230 million. Due to the timing of the legislative approval of the Farm Bill and the SCRI program announcement, we compliment the hard work at USDA to insure 2009 SCRI project

proposals were accepted, evaluated and awarded. Without this extra effort, specialty crop research would have been delayed twelve months.

Specialty crop growers are receiving basically the same price for their crop(s) as they received in the mid-1990's, while input costs have increased 100% to 350%. The only reason fruit and vegetable growers are surviving is increased yield levels, production efficiencies and improved pest management systems due to research. Applied research is critical to the survival of southeastern fruit and vegetable growers. As a member of the Georgia Agricultural Commodity Commission for Vegetables, we have committed 75% of our crop assessments will be used for research. Georgia growers recognize the value of applied research that addresses current production pest management, regulatory, food safety and product quality problems.

GFVGA supports expansion of the SCRI and increased funding.

Food Safety

As noted earlier in this testimony, since 2001 the Georgia Fruit and Vegetable Growers Association has been a leader in providing education and consultation to southeastern growers concerning food safety. While food safety is the regulatory responsibility of the Food and Drug Administration, we encourage USDA to continue its role to provide guidance and support to growers in the area of food safety which effects product quality and market interruptions.

Congress and FDA are moving forward with food safety legislation and regulations. Most likely before the end of 2010, growers will be mandated to conform with certain FDA guidelines in the growing, packing and handling of fresh produce. GFVGA has supported this governmental oversight for science founded, risk based, commodity specific guidelines. The depth of experience and body of knowledge at USDA should be utilized and called upon as these guidelines are developed, and when product recall investigations occur. FDA and CDC lack of experience and knowledge of fresh produce production and supply chain lead to the tomato/pepper fiasco in 2008.

Based on our commitment to food safety and regaining consumer confidence, GFVGA took a leadership role as a member of the proponent group calling for a National Leafy Green Marketing Agreement. We urge USDA to conclude its work on the NLGMA so industry can develop a federal marketing program that establishes national measures to address leafy green food safety through the federal government oversight.

Nutrition

The 2008 Farm bill expanded the Fresh Fruit & Vegetable Snack Program to all 50 states. The goal of this nationwide expansion of the Snack Program is to develop life-long healthy eating habits for millions of children by providing fresh fruits and vegetables in our nation's schools. Data, and practical experience in the schools, has shown if the fresh products are available, most students will select tasty (and healthy) fruits or vegetables over candy or chips.

Increasing the amount and variety of fruits and vegetables served in the School Lunch and Breakfast Programs will improve children's health and are critical investments in prevention and health care reform. The Institute of Medicine's (IOM) Report School Meals: Building Blocks for Healthy Children recommends doubling the amount of fruits and vegetables served in school meals and recognizes that serving more fruits, vegetables and whole grains will require a higher federal reimbursement rate. As congress deliberates on the Child Nutrition Reauthorization Act, school meal standards must be aligned with the 2005 Dietary Guidelines; the IOM's Report provides specific recommendations to improve the healthfulness of school meals.

GFVGA supports the following:

1. A National Salad Bar Policy recommended by USDA to schools as an effective intervention strategy to increase children's fruit and vegetable consumption.
2. Increased reimbursement rates for school meals, with those increases tied specifically to increased servings of fruits, vegetables and whole grains in order to meet the Dietary Guidelines and IOM recommendation for school meals.
3. Increased funding for salad bars and cafeteria equipment.
4. Expansion of USDA commodity purchasing of fresh and fresh-cut fruits and vegetables that children want to eat. Today, less than 3% of USDA fruit and vegetable purchases are for fresh produce, unfortunately perpetuating the practice of schools serving children from a 10-pound can rather than offering fresh foods.
5. Updated nutrition standards for school meals consistent with the Dietary Guidelines.
6. Updated nutrition standards for foods and beverages sold outside of school meals.

Restructuring Disaster Assistance and Crop Insurance

Georgia growers have a concern with the Supplemental Revenue Assistance Payments Program (SURE). The establishment of this program, as intended, makes ad hoc disaster programs more difficult. Unfortunately, the SURE program has yet to live up to grower expectations. Despite USDA announcing this program opportunity early on the website, to date there is still much confusion at the Farm Service Agency county office level about implementation of the program. Specifically, USDA headquarters has not made clear to the county offices how to handle producers farming in multiple counties. In the Southeast, our growers may farm in several different counties.

Another major concern with the SURE program is that benefits will not be available to the producer for 12 to 18 months after the crop loss. With the significantly large input costs of specialty crop producers this delay may be too late to help a producer struggling to stay in business. Finally, we question whether a permanent disaster program can react to specific emergencies as well as disaster legislation structured in real time for a specific disaster.

Unlike my situation, most fruit and vegetable growers do not produce program commodities so the farm structure as established at the FSA offices is not such that growers can benefit from some USDA programs as traditional program commodities benefit. The current payment limit structure punishes specialty crops for the few programs they can participate in at USDA. Southeast produce farms have to be large to make a profit. Labor, input costs, prices for products, etc. are such that small producers have little chance to be full-time farmers. In establishing payment limitations for all producers, consideration should be given that fruit and vegetable growers do not have USDA program history and farm structure established at FSA as do many producers that have a long history of participating in farm programs.

With regard to crop insurance, over the years RMA has attempted to re-formulate a traditional crop insurance program to be a 'one size fits all' and force specialty crop coverage into a row crop model. However, this does not work due to the high cost of inputs per acre for our specialty crop growers. Currently there are very few vegetable growers that utilize crop insurance due to the extremely high premium costs. There are a few specialty crop insurance programs that appear to have satisfactory participation and coverage including pecans, peaches and blueberries.

As banks tighten the credit and the loan requirements become more stringent, we believe many growers would consider AGR as a crop insurance alternative with proper education about the program. An AGR policy offers growers total farm income protection rather than specific crop revenue coverage. However, the full AGR program has not been offered in Georgia. AGR-lite was offered during the 2009 crop year and received limited sign up due to the revenue limitation on the policy. For AGR-lite the maximum farm income protection is \$1 million dollars making the 'lite' program of little benefit to many Georgia producers. For the full AGR program the maximum income protection is \$6.5 million.

Farm Policy Challenges for Specialty Crops

The future of specialty crop production in the southeast is largely dependent on regulatory and work force related issues. As more and more regulations, restrictions and agency generated guidelines are developed, the United States consumer will see more and more of its fresh produce imported. The international trade agreements, designed to open foreign markets to US growers, has also shown imported products can easily be transported into our domestic food supply chain. Many US growers are looking to non-domestic farm operations as an alternative if/when federal regulations become too onerous to comply.

Outlined below are regulatory issues which threaten the national security of the United States. The late U.S. Senator Paul Coverdell from Georgia, was a strong proponent that the strength of American agriculture was a national security issue. If the U.S. cannot produce enough food to feed our people and our troops, we will not be a nation capable of defending itself any longer. American agriculture is not to that position yet, but we are losing farms everyday due to these challenges.

1. Environmental Regulations

At no time in my memory has EPA issued as many guidelines, regulations or policies that have the potential to threaten our livelihood and shutdown our operations. That statement makes it

sound like we are operating an 'unsafe' farm; which might be harmful to our families and workers. I can assure you we are not - I will not expose my family or my workers to anything that I do not consider safe.

An example of EPA regulations that are issued but not based on sound science was the Soil Fumigant Regulations. In late 2008, EPA issued new regulations concerning application and usage of soil fumigants. The required buffer zones under these regulations were based on vaporization and drift studies conducted in the 1990's. In fact these primary studies did not include any measurement of soil temperature or moisture content, two key elements in vaporization and drift, caused the regulations to be flawed.

If these regulations had been implemented, one of Georgia's key vegetable production counties would have lost over 96% of its vegetable crop land. Another key county would have lost 89% of its available land due to the buffer zone requirements.

GFVGA working with the University of Georgia, was able to conduct emergency research studies to update the 1990 data and show with proper soil moisture and temperature, the required buffer zones could almost be eliminated. Once the research was conducted, EPA accepted the new results after a careful study of the data.

Recently EPA is proposing a new registrant labeling policy for key chemicals. They are moving from a FIFRA-based standard of "no unreasonable side effects" to a new policy of "do not apply this product in a manner that results in spray (or dust) drift that could cause an adverse effect to people." So, what is an adverse effect - a nose irritation?? How does a grower make that determination as to what is an adverse effect. This is essentially a move from a standard based on scientific risk assessment to an untenable zero-risk standard. EPA is moving from regulations that are based on risk and can work in practice, to an environmental regulation that is easily enforced - 'prohibition on use - do not use!'.

We encourage this committee and USDA to advocate for production agriculture in this regard to ensure EPA issued regulations are based on - risk and current science. In addition production agriculture should be represented early in the regulatory development process to insure the regulations can actually be implemented. If a proposed regulation such as the buffer zones mentioned earlier were implemented, it would have eliminated vegetable production in Georgia and many other states.

2. Climate Change Legislation

As Congress considers energy independence and climate change the specialty crop industry is very concerned as to the final legislation. Fruit and vegetable growers are heavily dependent on production inputs to be affordably priced in order to remain competitive domestically and in the global economy.

As Congress debated legislation earlier this year, the specialty crop producers may not be able to receive any of the credits or participate in the offset programs. Specialty crops represent 44 percent of U.S. agriculture's farm gate value but only 3.2% of the agricultural farmland. In addition growers have taken steps for decades to increase production efficiencies, minimize

energy consumption and conserve natural resources, all resulting in decreased green house gas emissions. Therefore the specialty crop industry's ability to compete for 'credits' based on new carbon sequestration efforts (or GHG-reducing technology) will be difficult.

We urge this committee to study and understand the impact of the costs associated with any climate change legislation before it is signed into law, and have in place strategies to address these costs as they will have a significant impact on specialty crop livelihoods.

3. Immigration


We realize immigration reform is not under the authority of this committee; however, when discussing specialty crops and 'farm policy' the need for a predictable and legal workforce in agriculture remains a critical concern for all producers.

Many of our producers in Georgia are using the H2A program in which they can legally bring in guest workers on a temporary work visa issued by the Department of Labor. As a part of this program the grower pays for the worker's transportation from to and from their home country, covers their housing while in the states and provides a guaranteed wage rate. The paperwork for the program is very onerous and time consuming.

Revisions were made to the program in late 2008 which in made it much easier to accommodate to the point we had an increasing number of growers enrolling in the program. Unfortunately in February 2010, the current administration revised the guidelines again and reverted to the old regulations, some even as far back as the mid 1990's. The revised changes are adding even more time and cost to the program. One grower shared with me recently the new regulations will cost him over \$1.5 million dollars.

In addition to the high cost and excessive regulations our H2A employers in Georgia and other southeastern locations have experienced a very high incidence of frivolous claims by Legal Services. Many times a legal services agency representative will file a 'trumped up' charge against an H2A employer and it costs the grower less to pay a fine than to defend the charge. This excessive cost to the grower is due to the legal services agency continuing to file appeals if the case is found in the grower's favor, and the grower having to continue pay legal fees for his defense.

Mr. Chairman, thank you for the opportunity to present our thoughts and views today. We look forward to working together to craft a farm bill over the next year that will establish a strong farm policy for specialty crop producers and all of agriculture. Thank you.



Richard 'Dick' Minor
Minor Produce
P.O. Box 218
Andersonville, GA 31711
229-924-2241

Vice-President,
Georgia Fruit and Vegetable Growers Assn.
P.O. Box 2945
LaGrange, GA 30241 706-845-8200

PLEASE ATTACH DISCLOSURE FORM TO EACH COPY OF TESTIMONY.

Richard 'Dick' Minor Americus, GA

Mr. Minor, a native of Atlanta, graduated in 1979 from Ridgeview High School, Sandy Springs, Georgia. In 1986 he received his Bachelor of Science in Agriculture degree from the University of Georgia, majoring in Agronomy.

In 1983 Mr. Minor began his farming career. Currently he is a partner in Minor Brothers Farm and President of Minor Produce Inc. Minor Brothers Farm is a 15,000 acre diversified farming operation which owns 3,000 acres of farmland and leases the balance. The farming acreage is located in Sumter, Macon, and Lee counties in southwest Georgia. In 2009, Minor Brothers Farms grew 385 acres of cucumbers, 1,100 acres of snap beans, 125 acres of watermelon, 60 acres of pepper, and 50 acres of squash. In addition the farms grew cotton (7,600 A), peanuts (2,700 A), field corn (1,850 A), wheat (1,500 A), soybeans (850 A), and turf grass (520 A).

Mr. Minor is First Vice President of the Georgia Fruit and Vegetable Growers Association and is a grower member of the Georgia Agricultural Commodity Commission for Vegetables. He serves as a Board Member of Sumter County Producers Gin & Warehouse, along with business interest in MBF Trucking and Aerial Crop Care.

Richard Minor lives in Americus, Georgia with his wife Peggy and their two children. He is an active member of St Mary's Catholic Church, a fourth degree Knight of Columbus and has served on the Parish Council.